

13 CIV 6291

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PEARSON EDUCATION, INC., :
JOHN WILEY & SONS, INC., :
CENGAGE LEARNING, INC, AND :
MCGRAW-HILL GLOBAL EDUCATION :
HOLDINGS, LLC, :

Plaintiffs, :

-against- :

13 Civ.

JOHN DOE D/B/A BOOKWORM DIRECT :
D/B/A NICK EDELMAN AND JOHN DOE :
NOS. 1-5, :

Defendants. :

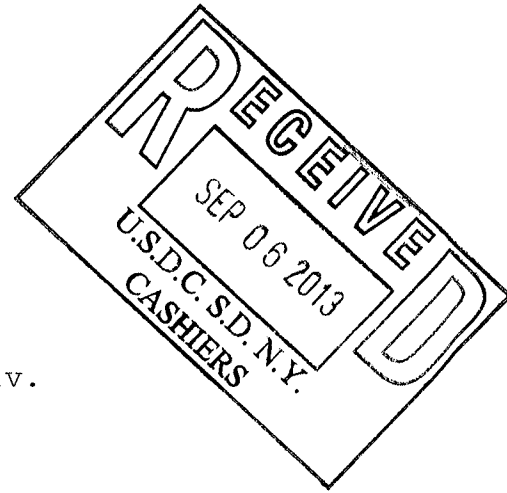
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COMPLAINT AND JURY DEMAND

Plaintiffs Pearson Education, Inc. ("Pearson"), John Wiley & Sons, Inc. ("Wiley"), Cengage Learning, Inc. ("Cengage") and McGraw-Hill Global Education Holdings, LLC ("MHE"), by their undersigned attorneys, for their complaint against defendants John Doe d/b/a Bookworm Direct d/b/a Nick Edelman and John Doe Nos. 1-5, aver:

Nature of the Action

1. Plaintiffs publish college textbooks. Plaintiffs are bringing this action to obtain legal and equitable relief to remedy defendants' infringement of plaintiffs' copyrights and trademarks through their sales of unauthorized electronic copies of textbooks ("e-books").



Jurisdiction and Venue

2. This Court has subject matter jurisdiction over the first three claims for relief in this action pursuant to 28 U.S.C. §§ 1331 and 1338 because they arise under the Copyright Act, 17 U.S.C. § 101 et seq. or the Lanham Act, 15 U.S.C. § 1051 et seq. The Court has subject matter jurisdiction over the fourth claim for relief under 28 U.S.C. § 1367 because it is so related to the claims within the original jurisdiction of the Court that they form the same case or controversy under Article III of the United States Constitution.

3. Upon information and belief, venue is proper in this District pursuant to 28 U.S.C. §§ 1391 and 1400(a).

Parties

4. Pearson is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at One Lake Street, Upper Saddle River, New Jersey 07458.

5. Wiley is a corporation organized and existing under the laws of the State of New York with its principal place of business at 111 River Street, Hoboken, New Jersey 07030.

6. Cengage is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 200 First Stamford Place, 4th Floor, Stamford, Connecticut 06902.

7. MHE is a limited liability company organized and existing under the laws of the State of Delaware with its place of business at 2 Penn Plaza, New York, New York 10121-2298.

8. Upon information and belief, defendant John Doe d/b/a Bookworm Direct d/b/a Nick Edelman is a natural person currently residing in the United States whose identity and location is currently unknown to plaintiffs.

9. Upon information and belief, defendants John Doe Nos. 1-5 are natural persons currently residing in the United States whose identities are presently unknown to plaintiffs.

The Businesses of Plaintiffs

10. Each plaintiff publishes a variety of works, including educational books.

11. As a standard practice, each plaintiff requires its authors to assign the copyrights to it or grant it the exclusive rights of reproduction and distribution in the United States. This practice enables each plaintiff to maximize the dissemination of each work.

12. Plaintiffs invest significant monies to publish their copyrighted works. Plaintiffs, for example, make substantial investments in royalties, content creation, licensing, copyediting, proofreading, typesetting, layout, printing, binding, distribution, copyright enforcement and promotion.

13. Plaintiffs earn a substantial portion of their revenue from the publication of their copyrighted works and would suffer serious financial injury if their copyrights were not enforced. A substantial decline in their income could cause plaintiffs to cease publishing one or more deserving books or journals. This would adversely impact the creation of new works, scholarly endeavor, and scientific progress.

14. An important part of plaintiffs' business is derived from publishing college textbooks. College professors select textbooks from competing publishers based on the pedagogical value and the quality of the materials.

Plaintiffs' Copyrights

15. Plaintiffs routinely register their copyrights. Pearson has generally registered its copyrights in its works, including the works on Schedule A (the "Pearson Copyrights"). Wiley has generally registered its copyrights in its works, including the works on Schedule B (the "Wiley Copyrights"). Cengage has generally registered its copyrights in its works, including the works on Schedule C (the "Cengage Copyrights"). MHE has generally registered its copyrights in its works, including the works on Schedule D (the "MHE Copyrights").

16. Plaintiffs also own, themselves or through their parent or affiliate companies, trademarks that they use to differentiate their products from those of their competitors.

17. Among Pearson's well-known trademarks are "Pearson," "Pearson Education" and "Prentice Hall." Pearson is the direct holder of the well-known trademark "Benjamin Cummings." Pearson's affiliate corporation Addison Wesley Longman, Inc., is the owner of, and Pearson is the exclusive licensee of, with the accompanying right and duty to protect and enforce its and its affiliate company's rights therein, the well-known trademarks "Addison Wesley" or "Addison-Wesley" (the "Pearson Trademarks"). The United States Registrations for the Pearson Trademarks are identified on Schedule E.

18. Among Wiley's well-known trademarks are "Wiley," and the "John Wiley Colophon" (the "Wiley Trademarks"). The United States Registrations for the Wiley Trademarks are identified on Schedule F.

19. Among Cengage's well-known trademarks are "Cengage" and "Cengage Learning" (the "Cengage Trademarks"). The United States Registrations for the Cengage Trademarks are identified on Schedule G.

20. Among MHE's well-known trademarks are "McGraw-Hill Irwin" and "Irwin" (the "MHE Trademarks"). The United States Registrations for the MHE Trademarks are identified on Schedule H.

The Infringing Acts of Defendants

21. Defendants have, without permission, reproduced and sold copies of plaintiffs' works. Specifically, the defendants have reproduced and sold e-book copies of plaintiffs' textbooks, including sales into the Southern District of New York, through online sales at websites and forums, including but not limited to, bookwormdirect.com, using the usernames, including but not limited to, "Bookworm Direct" and "Nick Edelman," and e-mail addresses including, but not limited to, sales@bookwormdirect.com and bookwormdirect@yahoo.com. Upon information and belief, defendants own and/or control the website bookwormdirect.com.

FIRST CLAIM FOR RELIEF

(Copyright Infringement - 17 U.S.C. § 501)

22. Plaintiffs repeat the averments contained in paragraphs 1 through 21 as if set forth in full.

23. Pearson has received United States Certificates of Copyright Registration for the Pearson Copyrights.

24. Wiley has received United States Certificates of Copyright Registration for the Wiley Copyrights.

25. Cengage has received United States Certificates of Copyright Registration for the Cengage Copyrights.

26. MHE has received United States Certificates of Copyright Registration for the MHE Copyrights.

27. The Pearson, Wiley, Cengage, and MHE Copyrights are valid and enforceable.

28. Defendants have infringed the Pearson, Wiley, Cengage, and MHE Copyrights in violation of 17 U.S.C. § 501.

29. Defendants' acts have irreparably damaged and, unless enjoined, will continue to irreparably damage plaintiffs. Plaintiffs have no adequate remedy at law for these wrongs and injuries. Plaintiffs are, therefore, entitled to a preliminary and permanent injunction restraining and enjoining defendants and their agents, servants, employees, and attorneys and all persons acting in concert with them, from infringing the Pearson, Wiley, Cengage, and MHE Copyrights.

30. Defendants have willfully infringed the Pearson, Wiley, Cengage, and MHE Copyrights.

31. Plaintiffs are entitled to recover all damages sustained as a result of defendants' unlawful conduct including (1) defendants' profits, or (2) plaintiffs' damages, or alternatively at plaintiffs' election, (3) statutory damages.

SECOND CLAIM FOR RELIEF
(Trademark Infringement - 15 U.S.C. § 1114(a))

32. Plaintiffs repeat the averments contained in paragraphs 1 through 31 above as if set forth in full.

33. Pearson is the exclusive licensee of the Pearson Trademarks, with the accompanying right and duty to protect and

enforce Pearson's rights therein. Pearson's licensor parent and affiliate companies have obtained United States Trademark Registrations for the Pearson Trademarks.

34. Wiley owns the Wiley Trademarks, for which it has obtained United States Trademark Registrations.

35. Cengage owns the Cengage Trademarks, for which it has obtained United States Trademark Registrations.

36. MHE owns the MHE Trademarks, for which it has obtained United States Trademark Registrations.

37. The Pearson, Wiley, Cengage, and MHE Trademarks are valid and enforceable.

38. Defendants have infringed the Pearson, Wiley, Cengage, and MHE Trademarks in violation of 15 U.S.C. § 1114(a) by using them or using confusingly similar marks on and/or in connection with the works that they have sold.

39. Defendants' acts complained of herein have irreparably damaged plaintiffs and may continue to do so. The damage to plaintiffs includes harm to their good will and reputation in the marketplace for which money cannot compensate. Plaintiffs have no adequate remedy at law for these wrongs. Plaintiffs are, therefore, entitled to a preliminary and permanent injunction restraining and enjoining defendants, their agents, servants, employees, and attorneys and all persons acting

in concert with them from using the Pearson, Wiley, Cengage, and MHE Trademarks, or any colorable imitation of them.

40. Defendants have willfully infringed the Pearson, Wiley, Cengage, and MHE Trademarks.

41. Plaintiffs are entitled to recover (1) defendants' profits from the infringing books, (2) plaintiffs' damages, (3) the costs of the suit, and (4) reasonable attorneys' fees.

THIRD CLAIM FOR RELIEF
(Trademark Counterfeiting - 15 U.S.C. § 1117)

42. Plaintiffs repeat the averments in paragraphs 1 through 40 above as if set forth in full.

43. In connection with the sale of their pirated e-books, defendants have used counterfeits of the Pearson, Wiley, Cengage, and MHE Trademarks.

44. Based upon defendants' use of counterfeits of the Pearson, Wiley, Cengage, and MHE Trademarks in connection with their sales of pirated e-books, plaintiffs are entitled to recover treble damages, treble profits, and/or statutory damages, pursuant to 15 U.S.C. § 1117(b) and (c).

FOURTH CLAIM FOR RELIEF
(Common Law Unfair Competition Under State Law)

45. Plaintiffs repeat the averments contained in paragraphs 1 through 44 above as if set forth in full.

46. Defendants' acts complained of herein have damaged and may continue to damage plaintiffs irreparably. The damage to

plaintiffs includes harm to their good will and reputation in the marketplace for which money cannot compensate. Plaintiffs have no adequate remedy at law for these wrongs and injuries. Plaintiffs are, therefore, entitled to a preliminary and permanent injunction restraining and enjoining defendants, their agents, servants, employees, and attorneys and all persons acting in concert with them from using the Pearson, Wiley, Cengage, and MHE Trademarks, or any colorable imitation of them, to restitution of defendants' ill-gotten gains, and to punitive damages in an amount to be determined by the trier of fact in this action.

WHEREFORE, plaintiffs demand judgment:

A. Preliminarily and permanently enjoining defendants, their agents, servants, employees, and attorneys and all those acting in concert with them from infringing the Pearson, Wiley, Cengage, and MHE Copyrights in violation of 17 U.S.C. § 501;

B. Awarding plaintiffs their damages or defendants' profits, or alternatively, at plaintiffs' election, statutory damages, as a result of defendants' willful infringement of the Pearson, Wiley, Cengage, and MHE Copyrights;

C. Preliminarily and permanently enjoining defendants, their agents, servants, employees, and attorneys and all those acting in concert with them from infringing the

Pearson, Wiley, Cengage, and MHE Trademarks in violation of 15 U.S.C. § 1114(a);

D. Transferring to plaintiffs, or alternatively, cancelling, the domain name www.bookwormdirect.com;

E. Awarding plaintiffs their damages and/or defendants' profits from their willful infringement of the Pearson, Wiley, Cengage, and MHE Trademarks pursuant to 15 U.S.C. § 1117(a);

F. Directing that defendants engage in such additional activities, including, but not limited to, recalls of products and corrective advertising, as may be necessary and appropriate to mitigate the damage defendants have caused;

G. Awarding plaintiffs their costs in this action, including their reasonable attorneys' fees pursuant 17 U.S.C. § 505 and 15 U.S.C. § 1117;

H. Awarding plaintiffs punitive damages in an amount to be determined by the trier of fact in this action; and

I. Granting such other and further relief as to this Court seems just and proper.

Jury Trial Demand

PLEASE TAKE NOTICE that pursuant to Rule 38 of the Federal Rules of Civil Procedure, the plaintiffs hereby demand a trial by jury of all issues that are so triable.

Dated: New York, New York
September 6, 2013

DUNNEGAN & SCILEPPI LLC

By Ben Liebowitz
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Cengage Learning, Inc. and
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Schedule A
 "Pearson Copyrights"

| <u>Title, Author (Edition) (Registration Date) (Registration Number)</u> | | | |
|--|---|---------------------|----------------|
| 1. | Absolute C++, Savitch (5 th Edition) | (May 21, 2012) | (TX0007539620) |
| 2. | Accounting, Horngren (9 th Edition) | (March 11, 2011) | (TX0007346291) |
| 3. | A First Course in Probability, Ross (8 th Edition) | (January 29, 2009) | (TX0007030627) |
| 4. | Agile Analytics: A Value-Driven Approach to Business Intelligence and Data Warehouseing, Collier (1 st Edition) | (November 3, 2011) | (TX0007442576) |
| 5. | Becker's World of the Cell, Hardin (8 th Edition) | (March 9, 2011) | (TX0007337567) |
| 6. | Brock Biology of Microorganisms, Madigan (13 th Edition) | (March 10, 2011) | (TX0007335382) |
| 7. | Chemistry: The Central Science, Brown (12 th Edition) | (February 22, 2011) | (TX0007328609) |
| 8. | College Algebra: Graphs and Models, Bittinger (5 th Edition) | (April 30, 2012) | (TX0007530765) |
| 9. | College Algebra in Context : With Applications for the Managerial, Life, and Social Sciences, Harshbarger (4 th Edition) | (April 5, 2012) | (TX0007553847) |
| 10. | Concepts of Genetics, Klug (10 th Edition) | (December 7, 2011) | (TX0007458671) |
| 11. | Criminal Investigation: The Art and the Science, Lyman (6 th Edition) | (March 25, 2010) | (TX0007166139) |
| 12. | Data Structures & Problem Solving Using Java, Weiss (4 th Edition) | (November 3, 2009) | (TX0007074583) |
| 13. | Dynamics of Structures: Theory and Applications to Earthquake Engineering, Chopra (4 th Edition) | (February 23, 2012) | (TX0007496046) |
| 14. | Economics: Principles, Applications, and Tools, O'Sullivan (7 th Edition) | (May 25, 2011) | (TX0007379748) |
| 15. | Economics Today, Miller (16 th Edition) | (May 25, 2011) | (TX0007379620) |
| 16. | Environmental Geology, Keller (9 th Edition) | (July 20, 2010) | (TX0007216632) |
| 17. | Fundamentals of Anatomy & Physiology, Martini (9 th Edition) | (March 8, 2011) | (TX0007351970) |
| 18. | iGENETICS: A MOLECULAR APPROACH, Russell (3 rd Edition) | (May 20, 2009) | (TX0006984855) |
| 19. | Life in the Universe, Bennett (3 rd Edition) | (March 9, 2011) | (TX0007335473) |

20. Microbiology: An Introduction, Tortora (11th Edition) (March 29, 2012) (TX0007509406)
21. Nutrition and You, Blake (2nd Edition) (March 10, 2011) (TX0007335354)
22. Psychology: An Exploration, Ciccarelli (2nd Edition) (March 30, 2012) (TX0007514193)
23. Statistics for the Life Sciences, Samuels (4th Edition) (February 7, 2011) (TX0007316292)
24. Structural Analysis, Hibbeler (8th Edition) (April 5, 2011) (TX0007357783)
25. The Science of Nutrition, Thompson (2nd Edition) (January 19, 2010) (TX0007127075)

Schedule B
 "Wiley Copyrights"

| <u>Title, Author (Edition) (Registration Date) (Registration Number)</u> | | | |
|--|--|----------------------|----------------|
| 1. | Accounting Principles, Jerry Weygandt (10 th Edition) | (August 29, 2011) | (TX0007420810) |
| 2. | Big Java Late Objects, Cay Horstmann | (March 19, 2012) | (TX0007501863) |
| 3. | Calculus, Howard Anton (10 th Edition) | (March 9, 2012) | (TX0007503700) |
| 4. | Calculus: Single Variable, Deborah Hughes-Hallett (5 th Edition) | (July 15, 2011) | (TX0007401178) |
| 5. | Calculus: Single and Multivariable Variable, Deborah Hughes-Hallett (5 th Edition) | (April 16, 2010) | (TX0007191944) |
| 6. | Core Concepts of Accounting Information Systems, Mark Simkin (12 th Edition) | (February 3, 2012) | (TX0007484475) |
| 7. | Design and Analysis of Experiments, Douglas Montgomery (8 th Edition) | (May 18, 2012) | (TX0007529728) |
| 8. | Fundamentals of Building Construction: Materials and Methods, Edward Allen (5 th Edition) | (July 26, 2011) | (TX0007403522) |
| 9. | Fundamentals of Engineering Thermodynamics, Michael Moran (7 th Edition) | (August 18, 2011) | (TX0007415211) |
| 10. | Fundamentals of Heat and Mass Transfer, Theodore Bergman (7 th Edition) | (September 23, 2011) | (TX0007427704) |
| 11. | Geography: Realms, Regions and Concepts, Harm de Blij (14 th Edition) | (June 11, 2010) | (TX0007225251) |
| 12. | Intermediate Accounting, Donald Kieso (14 th Edition) | (September 6, 2011) | (TX0007417230) |
| 13. | Introduction to the Human Body, Bryan Derrickson (9 th Edition) | (February 8, 2012) | (TX0007494356) |
| 14. | Precalculus, Cynthia Young | (August 24, 2010) | (TX0007247212) |
| 15. | Professional Baking, Wayne Gisslen (6 th Edition) | (March 20, 2012) | (TX0007501461) |
| 16. | Psychology In Action, Karen Huffman (10 th Edition) | (January 30, 2012) | (TX0007487399) |

Schedule C
"Cengage Copyrights"

Title, Author (Edition) (Registration Date) (Registration Number)

1. Cornerstones of Managerial Accounting, Hansen/Mowen/Heitger (4th Edition) (August 8, 2011) (TX0007409234)
2. Accounting Information Systems, Gelinas/Dull/Wheeler (9th Edition) (June 12, 2012) (TX0007553737)
3. Auditing: A Business Risk Approach, Rittenberg/Johnstone/Gramling (8th Edition) (July 28, 2011) (TX0007404762)
4. Business & Professional Ethics, Brooks/Dunn (6th Edition) (September 20, 2011) (TX0007426012)
5. College Accounting, Chapters 1-27, Heintz/Parry (20th Edition) (June 5, 2012) (TX0007511405)
6. Cornerstones of Financial and Managerial Accounting, Rich/Jones/Heitger/Mowen/Hansen (2nd Edition) (September 1, 2011) (TX0007421045)
7. Cornerstones of Managerial Accounting, Mowen/Hansen/Heitger (4th Edition) (August 8, 2011) (TX0007409234)
8. Cost Accounting: Foundations and Evolutions, KINNEY/RAIBORN (8th Edition) (May 16, 2012) (TX0007532390)
9. Cost Management: Accounting and Control, HANSEN/MOWEN/GUAN (6th Edition) (January 16, 2008) (TX0006841472)
10. Applied Calculus for the Managerial, Life, and Social Sciences, Tan (8th Edition) (April 9, 2012) (TX0007519594)
11. Calculus, Stewart (7th Edition) (July 15, 2011) (TX0007401547)
12. Calculus Concepts: An Informal Approach to the Mathematics of Change, Latorre/Kenelly/Reed/Carpenter/Harris (5th Edition) (August 19, 2011) (TX0007414142)

Schedule D
"MHE Copyrights"

Title, Author (Edition) (Registration Date) (Registration Number)

1. Survey of Accounting, Edmonds (3rd Edition) (June 27, 2011)
(TX0007391786)
2. Accounting: What the Numbers Mean Marshall (9th Edition)
(January 27, 2010) (TX0007140620)
3. Hole's Human Anatomy & Physiology, David Shier (11th
Edition) (March 11, 2010) (TX0007293703)

Schedule E
 "Pearson Trademarks"

| | <u>U.S. Trademark</u> | <u>Registration Number</u> | <u>Class</u> |
|-----|-----------------------|----------------------------|------------------|
| 1. | "Pearson" | 2,599,724 | 009, 016, 042 |
| 2. | "Pearson" | 2,600,081 | 041 |
| 3. | "Pearson" | 2,652,792 | 009, 016 |
| 4. | "Pearson" | 2,679,355 | 016 |
| 5. | "Pearson" | 2,691,830 | 041 |
| 6. | "Pearson" | 2,694,359 | 009 |
| 7. | "Prentice-Hall" | 1,332,044 | 016 |
| 8. | "Prentice-Hall" | 1,332,639 | 042 |
| 9. | "Prentice-Hall" | 1,375,654 | 009 |
| 10. | "Addison Wesley" | 2,188,798 | 016 |
| 11. | "Addison-Wesley" | 2,400,130 | 016 |
| 12. | "Benjamin Cummings" | 2,674,589 | 016 |
| 13. | "Benjamin Cummings" | 2,671,773 | 041 |
| 14. | "Benjamin Cummings" | 2,671,772 | 041 |
| 15. | "Benjamin Cummings" | 2,621,299 | 016 |
| 16. | "Benjamin Cummings" | 1,189,279 | 016 |

Schedule F
"Wiley Trademarks"

| | <u>U.S. Trademark</u> | <u>Registration Number</u> | <u>Class</u> |
|----|-----------------------|----------------------------|------------------|
| 1. | "JW" Colophon | 2,168,941 | 009, 042 |
| 2. | "Wiley" | 1,003,988 | 009, 016, 028 |
| 3. | "Wiley" | 2,159,987 | 009, 042 |

Schedule G
"Cengage Trademarks"

| | <u>U.S. Trademark</u> | <u>Registration Number</u> | <u>Class</u> |
|----|-----------------------|----------------------------|------------------|
| 1. | "Cengage" | 3,603,349 | 009, 016, 041 |
| 2. | "Cengage Learning" | 3,603,376 | 009, 016, 041 |

Schedule H
"MHE Trademarks"

| | <u>U.S. Trademark</u> | <u>Registration Number</u> | <u>Class</u> |
|----|-----------------------|----------------------------|--------------|
| 1. | "McGraw-Hill Irwin" | 3,316,962 | 9, 16 |
| 2. | "McGraw-Hill Irwin" | 3,316,236 | 9, 16 |
| 3. | "McGraw-Hill Connect" | 3,988,680 | 38, 41 |
| 4. | "Irwin" | 1,718,118 | 16 |